

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**MINUTES OF MEETING**  
**SEPTEMBER 8, 1994, 10:00 AM EST**

The Members of the Department of Financial Institutions met at 10:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, September 8, 1994. Members present were Messrs. Mark Hasten, Chairman, presiding, Tony Zaleski, Daniel Leitch, R. Douglas Grant, Norman Lowery, and Ms. Dee Godme. Also present from the Department were Charles W. Phillips, Director; Kirk J. Schreiber, Bank Analyst; Eric Roberts, Bank Analyst; Randall L. Rowe, Bank Supervisor; James M. Cooper, Deputy Director, Depository Institutions; J. Philip Goddard, Deputy Director, Non-Depository Institutions; Mark K. Powell, Supervisor, Credit Unions; and Janice L. Davis, Administrative Assistant. Mr. Wolf was absent.

**I. PUBLIC SESSION**

- A.) Attendance
- B.) Date of next meeting: October 13, 1994, at **10:00** a.m. EST.
- C.) Approval of the minutes of the meeting held August 11, 1994. A motion was made for approval of the minutes by Mr. Zaleski and seconded by Ms. Godme. The minutes were unanimously approved.

**DIVISION OF BANKS AND TRUST COMPANIES**

- 1.) The Farmers & Merchants State Bank, Logansport, Cass County  
The Farmers & Merchants State Bank ("F&M") applied to the Members of the Department for approval to merge with Salin Bank ("Salin") Camden, Carroll County, Indiana, pursuant to IC 28-1-7. F&M will be the surviving entity of the merger. F&M's name will be changed to Salin Bank and Trust Company and its principal office will be the main office of the surviving entity. F&M and Salin are both wholly-owned subsidiaries of Salin Bancshares, Inc. Following the merger, all offices of Salin will become branches of Salin Bank and Trust Company. The resulting bank will have an adequate Tier 1 capital ratio of 9.40%. Since both banks are controlled by Salin Bancshares, Inc., the competitive structure of the banking markets will not be altered. The following changes in management of the resultant bank are expected: (1) The board of directors of Salin will join the board of directors of F&M to form the board of directors of resultant bank; (2) William N. Salin, II, Vice Chairman of Salin Bancshares will become Chief Executive Officer of resultant bank; and (3) Brian T. Chapman, President of F&M, will remain as President of resultant bank. The Department staff recommended approval of this application. A motion for approval was made by Mr. Grant and seconded by Mr. Lowery. The application was unanimously approved.

**DIVISION OF CREDIT UNIONS**

- 1.) A request for approval of the proposed relocation of the main office of Indianapolis Police Department Credit Union from the fourth floor of the City-County Building, Indianapolis, Marion County, Indiana, to 123 East Market Street, Indianapolis, Marion County, Indiana. Mark K. Powell, Supervisor, informed the Members that this application has been withdrawn by Indianapolis Police Department Credit Union. No action was taken by the Members.

## DIRECTOR'S COMMENTS AND REQUESTS

- A) The Director advised the Members of actions taken pursuant to delegated authority, which were as follows:

### DIVISION OF BANKS AND TRUST COMPANIES

- 1) IRWIN UNION BANK AND TRUST COMPANY, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

The bank has submitted a request to relocate a temporary branch office from 130A Fairway Lake Drive, Franklin, Johnson County, Indiana, to a permanent site at 1073 West Jefferson Street, Franklin, Johnson County, Indiana. The request was approved under Delegated Authority by the Director on August 11, 1994.

- 2) FIRST COMMUNITY BANK AND TRUST COMPANY, BARGERSVILLE, JOHNSON COUNTY, INDIANA

The bank has applied to the Department for permission to establish a branch banking office to be located at 21 Madison Avenue, North Vernon, Jennings County, Indiana. The branch will be known as the "North Vernon Office." This will be the applicant's fifth branch. The request was approved under Delegated Authority by the Director on August 19, 1994.

- 3) PEOPLES BANK AND TRUST COMPANY, INDIANAPOLIS, MARION COUNTY, INDIANA

The bank has applied to the Department for approval to establish a full service branch banking office to be located at 10001 East Washington Street, Indianapolis, Marion County, Indiana. The branch will be known as "Washington Square Office". This will be the applicant's thirteenth branch. The request was approved under Delegated Authority by the Director on August 19, 1994.

- 4) PEOPLES BANK AND TRUST COMPANY, INDIANAPOLIS, MARION COUNTY, INDIANA

The bank has applied to the Department for approval to establish a full service branch banking office to be known as "Residential Mortgage Division." The proposed branch will be located at 9002 Purdue Road, Quad III, Suite 100, Indianapolis, Marion County, Indiana. This will be the applicant's fourteenth branch. The request was approved under Delegated Authority by the Director on August 19, 1994.

- 5) FIFTH THIRD BANK OF CENTRAL INDIANA, INDIANAPOLIS, MARION COUNTY, INDIANA

The bank has applied to the Department for approval to establish a branch banking office to be located at 1217 Rangeline Road, Carmel, Hamilton County, Indiana. The branch will be known as the "Rangeline Road Banking Center." This will be the applicant's seventeenth branch. The request was approved under Delegated Authority by the Director on August 19, 1994.

- 6) FIFTH THIRD BANK OF CENTRAL INDIANA, INDIANAPOLIS, MARION COUNTY, INDIANA

The bank has applied to the Department for permission to establish a branch banking office to be located at 8301 North Michigan Road, Indianapolis, Marion County, Indiana. The branch will be known as the "North Michigan Banking Center." This will be the applicants eighteenth branch. The request was approved under Delegated Authority by the Director on August 19, 1994.

- 7) TERRE HAUTE MERGER BANK, EVANSVILLE, VANDERBURGH COUNTY, INDIANA

Terre Haute Merger Bank, Evansville, Vanderburgh County, Indiana filed an application with the Department for the approval to merge with Indiana State Bank of Terre Haute, Terre Haute, Vigo County, Indiana. Terre Haute Merger Bank is an interim bank formed to facilitate the acquisition of Indiana State Bank by Old National Bancorp, Evansville, Vanderburgh County, Indiana. Indiana

State Bank will be the surviving bank. The name of the surviving bank will be Indiana State Bank of Terre Haute and the main office will be located at 1211 Wabash Avenue, Terre Haute, Vigo County, Indiana. The request was approved under Delegated Authority by the Director on August 19, 1994.

8) THE PEOPLES STATE BANK, ELLETTSVILLE, MONROE COUNTY, INDIANA

The bank has submitted an application to relocate its main office from 215 East Temperance Street, Ellettsville, Monroe County, Indiana, to 601 East Temperance Street, Ellettsville, Monroe County, Indiana, pursuant to IC 28-1-5-3. The request was approved by the Director under Delegated Authority on August 25, 1994.

9) WAYNE BANK AND TRUST COMPANY, CAMBRIDGE CITY, WAYNE COUNTY, INDIANA

The bank has applied to the Department for approval to establish a full service branch banking office to be known as "Kings Plaza Branch." The proposed branch will be located at 2260 National Road West, Richmond, Wayne County, Indiana. This will be the institution's third branch. The request was approved by the Director under Delegated Authority on August 25, 1994.

### DIVISION OF CONSUMER CREDIT

- 1) Request for a consumer loan license by Washtenaw Mortgage Company of Ann Arbor, Michigan. They are requesting the loan license to make second mortgage loans in Indiana. They will use local attorneys and title companies to close the loans. They operate in 39 States. All references are in order. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on August 25, 1994.
- 2) Request for a consumer loan license by Transworld Mortgage Corporation of Houston, Texas. They are requesting the loan license to make second mortgage loans in Indiana. They will use local attorneys and title companies to close the loans. They operate in 21 States. All references are in order. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on August 25, 1994.
- 3) Request for a check casher license by R's Enterprises, Inc. This is a liquor store who will be cashing checks other than incidental to the retail sale. As such, they will need a check cashing license. There will be three branch locations. All locations are in Indianapolis. All references are in order. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on August 25, 1994.
- 4) Request for a check casher license by Vandivier Enterprises, Inc. d/b/a Rural Inn. This is a liquor store who will be cashing checks other than incidental to the retail sale. As such, they will need a check cashing license. The owner of this entity also owns R's Enterprises, Inc. There will be only the main location in Indianapolis. All references are in order. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on August 25, 1994.
- 5) Request for a consumer loan license by Countrywide Funding Corporation d/b/a America's Wholesale Lender. Countrywide Funding is one of the largest mortgage companies in the United States. America's Wholesale Lender has a consumer loan license in six States. They will have four branch locations in Indiana. All references are in order. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on August 25, 1994.
- 6) Request for a consumer loan license by SMS Finance, Inc. of Muncie. There will not be any branch locations at this time. They are obtaining the license to make second mortgage loans. All references are in order. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on August 25, 1994.

- 7) Request for approval of a Guaranteed Auto Protection (GAP) program from Kahlo Jeep Eagle with GE Capital as third party administrator. The program is a standard GAP proposal in terms of covering the balance due, if any, if the customer's car is stolen and not recovered or is totaled in an accident and the amount paid by the auto insurance is insufficient to pay-off the account. The request was approved by the Director under Delegated Authority on August 25, 1994.

This program will not include the customer's deductible. There will be a 30 day "free-look" period. If the account is prepaid in full by the customer, they can request a refund of the unearned premium based on a "Rule of 78'ths" calculation. The maximum charge to the customer would be \$395.

GE Capital has agreed to notify 78 customers who had agreements written prior to approval. These customers will be given 30 days to request a full refund or accept the new agreement in lieu of any prior agreement. If the customer was charged more than \$395, their account will be credited with the financial institution or if the account is paid-off, a refund will be sent to the customer. GE Capital, through their local legal counsel, has agreed to all of the above and has agreed to notify the Department of the results of their notification to the 78 current customers and any amounts that are refunded.

As dealers are added to GE Capital's program, they will submit a letter for each dealer confirming the dealer's acceptance of the program as submitted by GE Capital. It is recommended that the program be approved as submitted and provided for under IC 24-4.5-2-202(1)(c). The request was approved by the Director under Delegated Authority on August 25, 1994.

There being no further business to come before the Members, the meeting was adjourned.

APPROVED:

ATTEST:

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Mark Hasten, Chairman

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J. Philip Goddard, Secretary